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City of Norfolk
FY 2003
Financial Plan

\$ 812,059,700

FY 03 Proposed Budgets

• General Fund Operating	\$631,989,100
• Capital Improvement Projects	\$52,981,200
• Water Fund	\$67,995,200
• Wastewater Fund	\$15,115,300
• Storm Water Fund	\$8,413,000
• Parking Fund	\$18,170,000

Special Revenue Funds

• EOC Operations	\$3,869,000
• Nauticus	4,041,500
• Towing	\$1,045,400
• Cemetery	\$1,675,000
• Public Amenities	\$4,265,000
• Strategic Land Acquisition	\$2,500,000

FY03. What is Different?

1. Recessionary state and national economy.
2. Escalating costs for essentials
3. Major reductions in State funding
4. Unavoidable Expenses



- Build strong neighborhoods
- Support healthy families and the young
- Remain a safe and clean city
- Promote growth and financial capacity

Budget Guidelines Consider

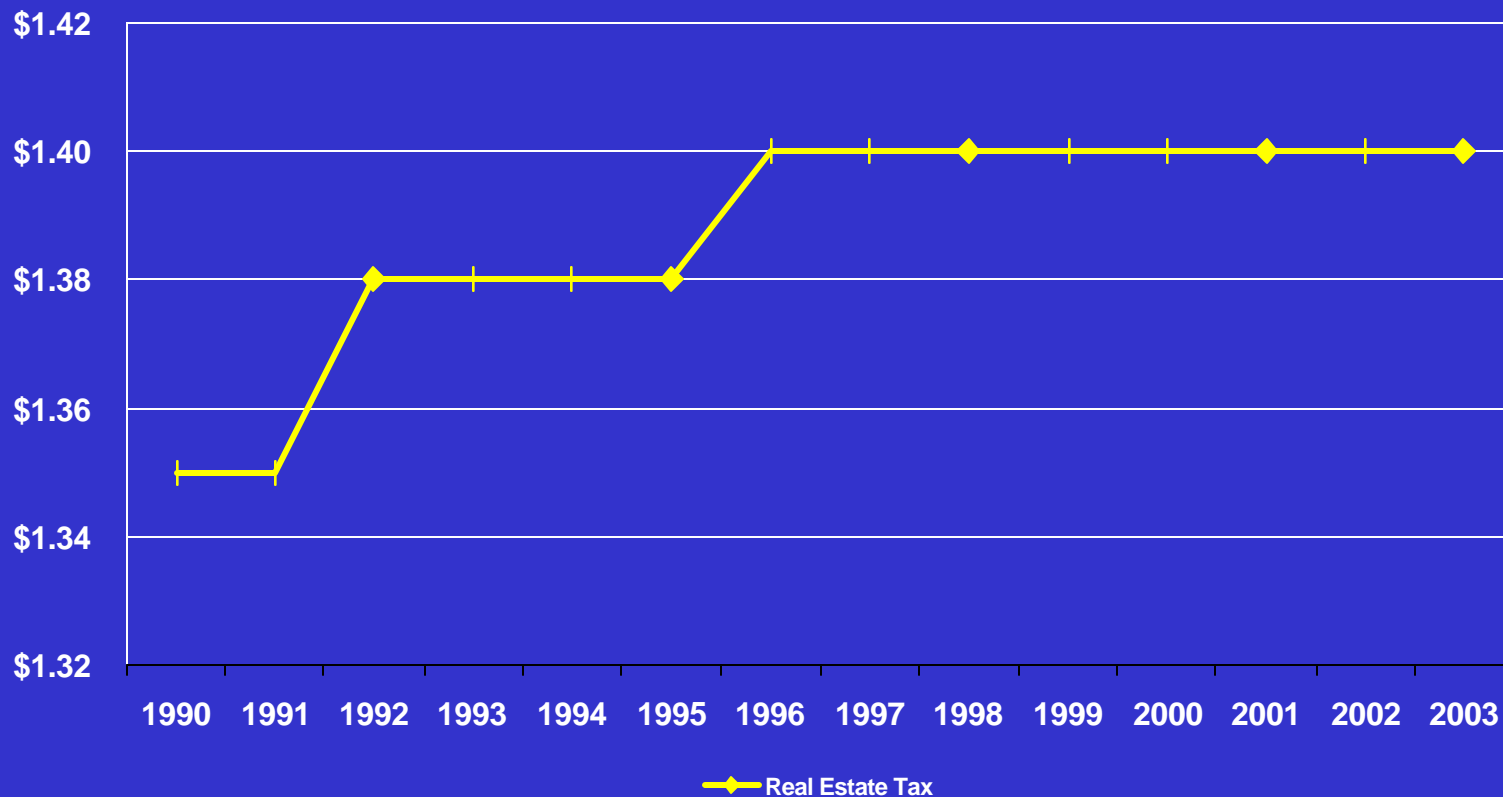
- Impact on essential public services
- City's six priorities
- Impact on Operational effectiveness
- Fiscal integrity and flexibility
- Legal and contractual requirements
- Keeping our promises
- Not making promises we cannot keep

Promises Made

Promises Kept

Promise: Limit the Tax Burden

- No increase proposed to general taxes such as real estate or utilities





Education Promise

- Full funding
- \$16,462,400 capital funds
 - Middle School technology initiative
 - Southside School
 - Norview High School
 - Plan for Blair Middle School

Neighborhood Promise

- Millions in resources for programs, parks and housing



- Full funding for 1st anchor branch -Pretlow Library
- East Beach

Employee Promise

- Salary increase
- Health care choice



Allocation of Revenues

- 50% of revenues are locally controlled; rest come from State or Federal government.
- 67% of those locally controlled revenues are used to match grants, support existing programs or re-invest in our economy.

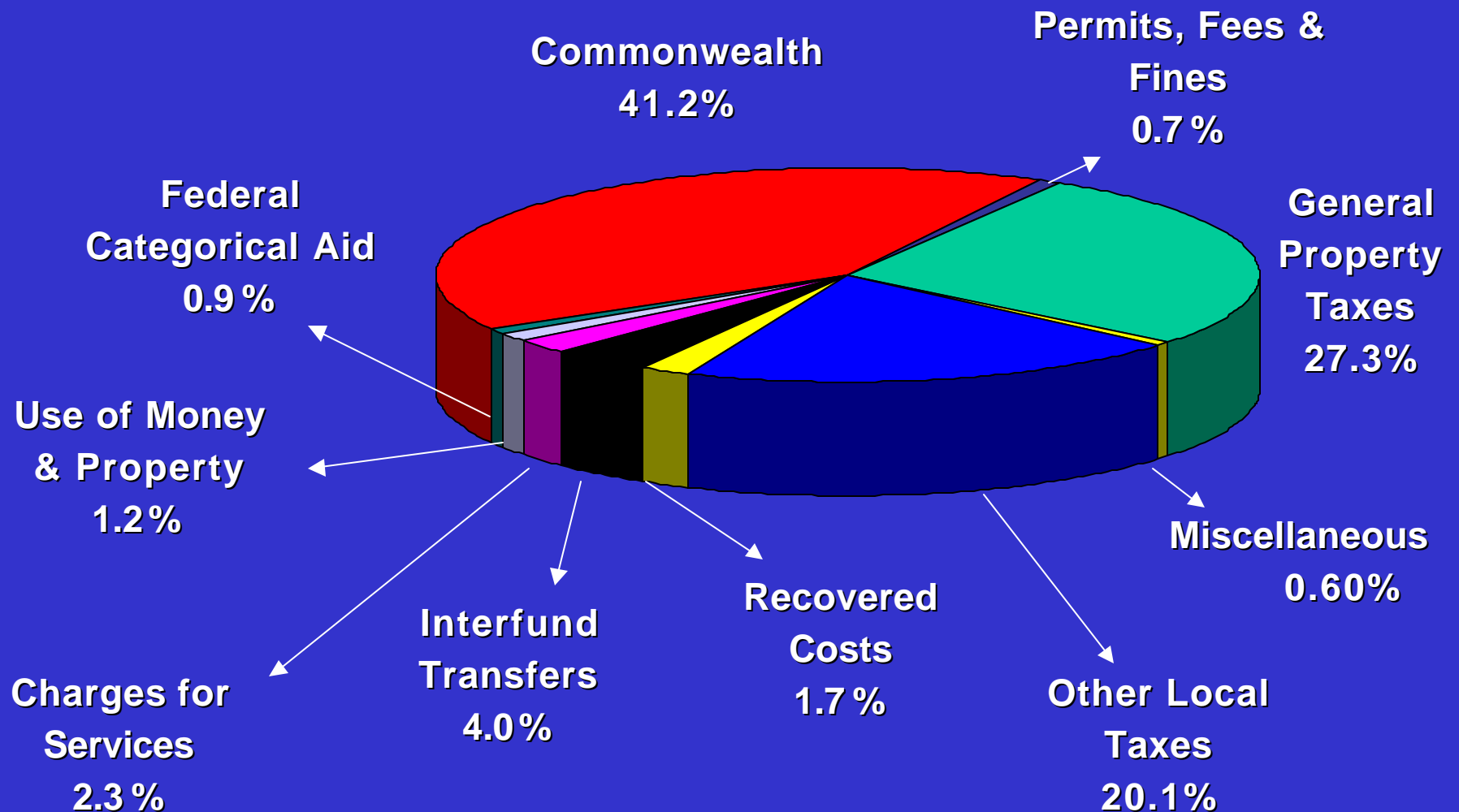
Revenue Outlook

Norfolk's economy was boosted by. . . .

- Ford Plant expansion
- Southwest Airlines
- Zim American Israeli Shipping Company
- 150 Main Street
- Courtyard by Marriott
- Boush Street revival
- Housing in Ocean View
- Recreation of Park Place
- Sale of in-fill housing

FY03 General Fund Revenue

Total: \$631,989,100



But this was countered by
state cuts = \$2.5 Million

The State cut funding for:

Education

Public Health

Court youth services

Human Services

Road construction

Sheriff and other constitutional officers

Tax Increases

Increase Restaurant and Motel/Hotel Tax 1%

Additional \$4.2 million will be used for

\$2,000,000	Major New Facility – Downtown
\$ 750,000	SCOPE Improvements
\$ 250,000	Other Civic Facility Improvements
\$ 700,000	Site Preparation
\$ 500,000	Challenge Grants

Tax Increases

- Restaurant (prepared food & beverage) and Motel/Hotel Tax 1%
- Emergency 911 Fee \$0.20
- Charges for Services
 - Jail Processing Fees
 - DNA Samples of Convicted Felons \$25.00
 - Courthouse Security \$25.00
 - Courthouse Security \$5.00

Debt Management

To ensure favorable bond ratings:

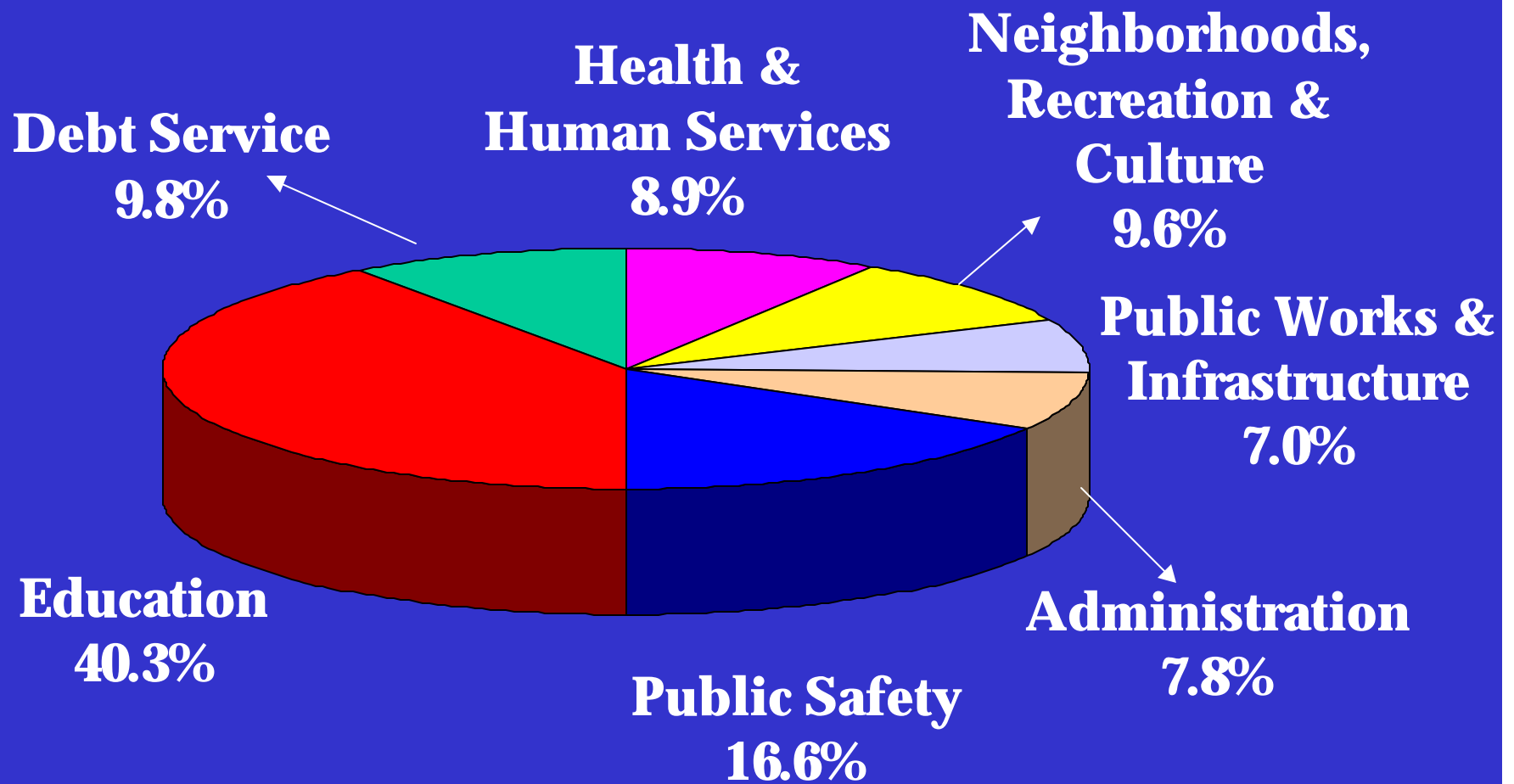
- \$8.5 million more bonds paid off than issued in FY02
- \$46.7 million more bonds anticipated to be paid off in FY03
- Extension in keeping debt below 3.5% of assessed value of capital capacity.

Expenditures

Stretching to fund education ...

FY03 General Fund Expenditures

Total: \$631,989,100



Total School Budget

- Education School Fees \$2,553,412
- Sales and Use Tax Return \$27,195,200
- State School Funds \$129,740,300
- Federal Funds \$5,920,625
- **City Funds** **\$88,853,710**

Total	\$254,263,247
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Unprecedented Funding

- 5.9% increase in local funds \$4,971,166

- Achieved through

One-time, Non-recurring Resources

**\$1.5 - \$2.0 million should not be
part of FY04 base budget**

Education

\$3.6 Million In-kind Support to Schools

- Roofing and other major building repairs
- Grounds maintenance
- Playground and field work
- School Nurses
- Crossing Guards
- Resource Officers
- After School and Educational Programs offered by Neighborhood and Leisure Services Department

Education

Capital Improvements

Blair Middle School



Norview High School



Construction will start on Norview in June; City will pay 71% of \$38.8 million cost. City and NPS will work to identify funding for Blair Middle School.

Higher Education

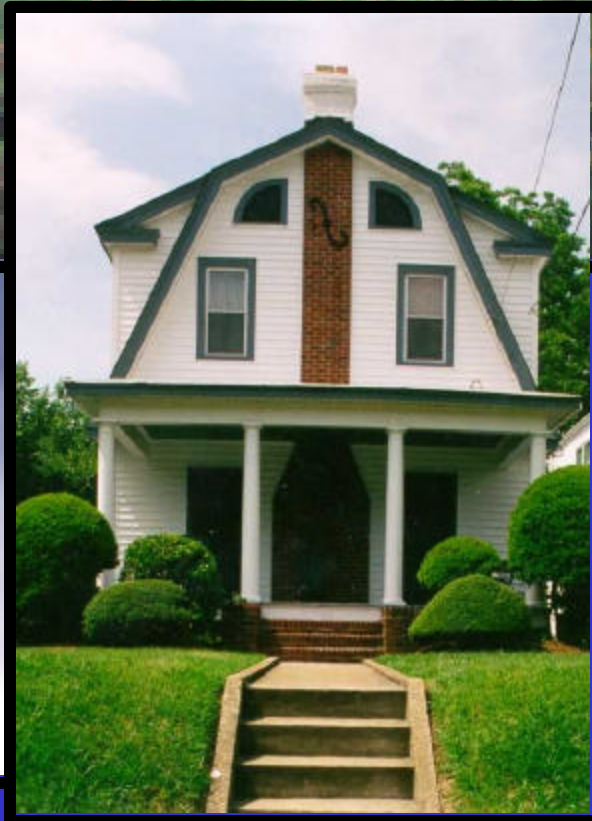
- Continuing to fund \$1.5 million for ODU Village Project for total of \$15 million commitment
- New FY03 start of joint project with NSU for RISE Center/South Brambleton redevelopment

Neighborhoods

Neighborhood & Leisure Services

\$13.7 million budget

- Neighborhood Centers (transferred from Human Services)
- Multi-use Norview Recreation Center
- Develop Barraud Park Master Plan
- Staff Titustown Recreation Center
- 8 new recreation aides at parks
- Develop Sports Master Plan



Housing First

Come Home to Norfolk Now

\$1 million CIP and operating funds FY03

Total Funds \$2.7 million – FY03 & Rollover



Come Home to Norfolk Now

- Citywide neighborhood strategic planning process
- Update General Plan
- Improve code enforcement and blight removal
- Improve obsolete commercial corridors
- Citywide home improvement program
- Create design review districts

Come Home to Norfolk Now

- Leverage public and private financial and technical resources
- Internal and external marketing campaign
- Acquire and improve tax delinquent properties
- Residential Tax Abatement Program
- Technology driven customer relations management system
- Continue to encourage Downtown housing

Conservation Neighborhoods

\$7.5 million CIP funds

- **\$3.5 million**
- **\$4.1 million**

East Beach

Lamberts Point
Berkley
Cottage Line
Downtown
Park Place
Willoughby

Central Brambleton
West Ocean View
Bayview
Huntersville/Church St.
Marshall Manor
Campostella Heights

Broad Creek Renaissance/Hope VI

- \$35 million HUD grant
- 14 neighborhoods
- \$14.5 million for infrastructure
- Possible Tax Increment Financing District
 - Section 108 CDBG loan



Housing First

Atlantic City: The vision



Public Safety

Continue commitment to police,
fire and emergency operations

- Additional funds for police and
fire building repairs
- Video cameras in police cars
- Laptop computers in patrol cars

Judicial

GOAL: Consolidated Hall of Justice

- Refine and update existing courts plan
- \$650,000 in FY03
- \$2.5 million in 5-year CIP

Drug Court

\$38,668 City Contribution to off-set State cuts to a program that helps non-violent offenders become drug free and productive members of the community.

Constitutional Officers

Office	City	
	State Cut	Back-Fill
Sheriff	\$73,608	\$73,608
Commonwealth Attorney	\$0	\$0
Commissioner of Revenue	\$10,130	
City Treasurer	\$11,832	
Elections	\$5,638	

Sheriff and Jail

\$3.8 million City contribution

- 7 deputies to book prisoners
- Ventilation of holding cells
- Showers and maintenance at jail

Support Young People

- State elimination of funding for local office on youth
- 51% reduction for VJCCCA – conversion to competitive grant program in FY04
 - 500 young people will not receive services
 - City will cover \$324,000 of the loss

Employee Benefits

Employee Benefits

Health Insurance

- FY02 \$2.5 million City contribution towards employee health care
- FY03 = 29% or \$3.8 million increase in premiums
 - \$2.9 million increase City contribution
 - \$15 - \$100 employee contribution increase

Employee Benefits

Salaries

- 3% General Wage Increase
- Step increase frozen
- 2% COLA for current retirees

Employee Benefits

Retirement

- \$4.4 million contribution to Retirement Plan
 - Returning to normal after 1990s stock run
 - Expected contributions for **each** of the next 4 years could exceed \$20 million
- Surviving spouse benefit equalization for normal or early service retirement

